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Dear Subscribers,

Still Relentless. US EQUITIES are as buoyant as we had noted back into the previous top of the rally after they shook off the impact of the mid-August TURKISH LIRA crisis. They are now making another new all-time high (more below) despite cause for concern on both interest rates and especially international trade.

We are coming to you quite a bit later than usual in order to assess the always important OECD Interim Economic Outlook (http://bit.ly/2xQTogU.) In the event it shows there are international trade stresses that could worsen. Yet it also shows that despite the impacts to date, the global economy remains strong led by the US growth. And as that is projected to remain the case this year into a good deal of 2019, there are grounds to believe corporate earnings (the real basis for US EQUITIES valuations) are going to remain firm as well; even if not as aggressively strong as since the current surge began in 2017.

And US EQUITIES push to the new highs has also surmounted other resistances (more below.) Their push higher is based on the firm global (and very strong US) economy, reinforced by some broader asset class tendencies we have reviewed in recent days. GOVVIES remain under pressure on the continued strong outlook (and Wednesday's higher than expected UK inflation numbers), and the US DOLLAR is losing its 'haven' bid against

the other developed currencies on the greater confidence the broad economic picture remains constructive.

EMERGING CURRENCIES remain a far more mixed picture based on 'country' influences. In particular the most recent TURKISH LIRA trend developments after another attempt to encourage more international confidence based on changes to spending and lower growth targets are less than impressive. While the latter would speak to less interference with the central bank, the market remains skeptical.

And on the international trade front US-Canada trade talks as a precursor to any US-EU agreement are still important. They will be the basis for any meaningful discussions by the US and others on the much greater challenge of the Chinese trade talks. Yet at least so far the markets are not bothered by this.

Market Quick Take

FRONT MONTH S&P 500 FUTURE (DECEMBER AFTER TODAY) still had higher resistance into the 2,840-50 area in early August, reinforced by the late July downside reaction from that area. And it was reinstated on the mid-August drop back below it. Yet not for long, even if subsequent initial recoveries stalling into the low end of that range confirmed its prominence. However, it was exceeded once again on the mid-August surge from still key 2,810-00 support.

Higher resistance at the 2,878.50 January all-time high was exceeded in late August, and has held on subsequent selloffs. The next classical weekly Oscillator resistance into 2,895-2,900 was also overrun. While we often discount the 'big penny' level, in this case it is meaningful. SEPTEMBER S&P 500 FUTURE slipping below 2,895-2,900 congestion left it resistance it pushed back above last week.

And the 5.00 premium DECEMBER S&P 500 FUTURE looks that much better into September contract expiration Friday. Higher resistance at the recent front month 2,917.50 high has now been exceeded (by the September contract.) It is reinforced by classic weekly Oscillator resistance that rises to 2,925-30 next week. 2,955-60 is next classical Oscillator resistance next week with the 'extended' interim level at 2,975 and next major threshold at 2,995-

3,000 (see www.Rohr-Blog.com Rohr ALERT!! sidebar link for the full extended level table.)

The balance of the Evolutionary Trend View is much the same as noted in the Extended Market Take in last Thursday's emailed note, and we refer you back to that for any further details beyond the two key items noted Tuesday: the T-NOTE FUTURE and TURKISH LIRA.

It is especially important to note the SEPTEMBER T-NOTE FUTURE expired on Wednesday, right into higher than expected UK inflation figures. The DECEMBER T-NOTE FUTURE trading at a modest quarter point discount to the September contract that was already below the low 119-00 area support (front month trading low from the beginning of August) leaves GOVVIES in general looking weak due to the still strong developed economy context and higher inflation.

The DECEMBER T-NOTE FUTURE already below that level is sinking (as expected) closer to the mid-May front month 7.5-year 118-10 trading low (from the last time the 10-year cash yield was above 3.00%), and could drop to even lower levels. Next interim historic congestion may be at 117-22, but the next major congestion is not until the 115-00 area.

And it is of note that this comes at a time when the DECEMBER BUND FUTURE is well back below 160.00-159.50 into its loose 159.00-158.73 Tolerance it keeps slipping below prior to stabilizing. Much below that it might revisit 157.50 area tested repeatedly on its February-May selloff, or even lower levels.

And while the SEPTEMBER GILT FUTURE does not expire until next Wednesday, it is back below its 122.50-.00 congestion after the failure up into its 124.00-.50 higher resistance as recently as mid-August. The typical nearly 1.00 discount in the DECEMBER GILT FUTURE leaves it below the 121.00 area interim support with the more major February 120.48 2-year trading low below that already neared at today's low. That is even though there is more substantial congestion into the 120.00 'big penny'.

To get back to the TURKISH LIRA, some of the other EMERGING CURRENCIES are now quite a bit stronger… like USD/ZAR falling back below both 15.00 and the 14.75-.65 range. Yet USD/TRY pushing not just

back above the mid-August 6.00 hyper-aggressive daily up channel DOWN Break; it was also in the process of Negating the also mid-August 6.40-6.50 DOWN Closing Price Reversal (CPR.) This is quite a feat, as the formal Tolerance of that DOWN signal was all the way up at the early August 6.6448 trading high (prior to the following Monday's extreme 7.10 area ultimate trading high as part of DOWN CPR pattern.

Even though recently back below 6.65 and the 6.50-6.40 range, it only tested the Negated 6.00 hyper-aggressive up channel DOWN Break (also from that same mid-August week) as well-anticipated near-term support. As noted above, only a USD/TRY drop below that area would signal a more sustained trend reversal in the LIRA, and it remains vulnerable on any push back above 6.40-.6.50.

And while still seeming a bit less relevant in the midst of the now more major global trade cross currents, this week's Weekly Report & Event Calendar (accessible for Sterling and higher level subscribers) is available via the www.rohr-blog.com sidebar. That said, Friday will still see the important global Advance PMI's.

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